ABSTRACT

A retirement planning method for computing possible future values of a portfolio of an investor. In one embodiment, the method includes the steps of (a) receiving a plurality of user inputs comprising an initial value of the portfolio and a current age of the investor; (b) providing data indicating one of cumulative probabilities of living to an age of death and cumulative probabilities dying at an age of death for persons of a given age group; (c) randomly drawing a number between 0 and 1 for the investor; (d) defining the randomly drawn number as one of said one of cumulative probabilities of living to an age of death and cumulative probabilities of dying at an age of death; (e) determining an age of death of the investor in accordance with said data based on the current age of the investor and the randomly drawn number; (f) computing a future value of the portfolio using the age of death of the investor determined in step (e), a predetermined rate of return, and the initial value of the portfolio; and (g) outputting the computed future value of the portfolio.